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BOOK REVIEWS AND NOTICES

The Financial Organization of Society. By HAROLD G. MOULTON.
Chicago: University of Chicago Press, 1920.

The School of Commerce and Administration of the University of Chicago, under the leadership of Dean Marshall, is making an interesting experiment "looking toward the organization of the business curriculum into a coherent whole." The problem is viewed from the standpoint of the business manager or executive, the basic elements of the curriculum being arranged and grouped in such a manner as to throw light upon the problems which confront him. These are classified as problems of adjustment to physical environment, problems of technology, finance, marketing, risk and risk-bearing, personnel, and adjustment to social environment (p. ix).

The present volume represents Professor Moulton's conception of the content and method of the introductory course in the "finance" branch of this scheme. According to his view this course should be followed by advanced specialized courses in "Money, Prices and the Cost of Living, Advanced Banking Theory, International Financial Problems, Business Cycles, Commercial Bank Management, Investment Bank Management, Business Finance, Investment and Speculation, Law of Bills and Notes, Banking Law" and these in turn by "seminar courses in each of the various fields of inquiry" (p. xii).

It is Professor Moulton's belief that the introductory course in finance in such a scheme should be a general survey of the entire field which shall have for its goal "a clear understanding of the nature of the modern financial system, and of the economic functions performed by each of the numerous financial institutions—investment banks, stock exchanges, commercial banks, trust companies, savings institutions, commercial paper houses, discount companies, Federal Reserve and Federal Farm Loan institutions, etc.—which comprise this system" (p. x).

The plan is worked out through thirty chapters of which six are devoted to money, one each to foreign exchanges and the nature and functions of credit, and the remainder to a description of the commercial and financial institutions and methods of the United States, including

the ground ordinarily covered by textbooks on banking and much that is ordinarily covered by textbooks on corporation finance and investments. The material of the greater part of the book has been organized and presented with the primary view of showing how business enterprises are supplied with fixed and working capital. Some interesting charts are presented with this purpose in view and the arrangement of chapters follows roughly the plan sketched in the charts. Special attention is given to the interrelation of institutions and to the working of the entire financial mechanism.

The workmanship is very good. The material in each chapter is well organized and clearly presented. In urging his own views, the author is moderate and fair-minded and his arguments are cogent and convincing. At the close of each main subdivision is a carefully prepared list of "Questions for Discussion" followed by references for further reading.

There are some infelicitous expressions and some errors, but they are of minor importance. A few samples are the following: "The gold in the British monetary unit, the pound sterling, is worth 4.866 times as much as the gold in the American monetary unit, the dollar" (p. 109); "Adam Smith, who died in 1776" (p. 146); "preferred stock has a prior claim on dividends in the event of liquidation, and usually on the assets of the business" (p. 153); "the mortgage pledges the property owned by the corporation as security for the payment of interest on the bond" (p. 156); "Another type of banking operation is that of note issue—an operation which under our present laws is confined to the national banks" (p. 370); "Similar provisions (regarding double liability) are found in the banking laws of all the states" (p. 553), and on page 560 Mr. Ebersole is quoted to the effect that "sixteen other states are more lenient (regarding the matter of liability of stockholders) imposing no statutory liability whatever."

There can be no question concerning the value of this book as a text for those who believe in a general survey of the entire field as an introductory course or for those who wish for any reason to cover the entire field in a single course. It will serve such persons admirably; indeed it is the only book in the field designed especially to meet their needs. There is room for difference of opinion regarding the degree of intensity with which different parts of the field are worked; that covering the Federal Reserve System, for example, is much more elaborately developed than any other. Indeed the treatment of this subject is far from elementary or introductory. It is one of the most complete and

comprehensive that is available. But the instructor can very easily remedy any defects of this kind he may find.

This book is likely to raise in the minds of teachers and others who have the responsibility of planning business courses the question whether the proper place for a course designed to acquaint students with the interrelations of our different financial institutions and the working of the entire financial mechanism should constitute the first or the last link in the chain of financial courses. In his Preface, Professor Moulton very ably presents the arguments in favor of making this the introductory course. The other side of the question is worth considering and cannot be neglected in actual practice. It is this. After a brief and very hasty sketch of a large number of financial institutions—and nothing else is possible in a one-quarter course such as Professor Moulton suggests—can the student appreciate the complicated interrelations of these institutions to say nothing of the intricate workings of the entire financial mechanism? Is there not danger of his emerging from such a course with his mind overcrammed and in a state of chaos and very badly prepared for advanced courses?

If one decides in favor of putting the kind of a course here contemplated at the end instead of at the beginning of the series, a different kind of a textbook—if a textbook course is to be given—is needed, namely one with less detail and elementary discussion—which should have been given in previous courses—and more elaborate discussion of interrelations and the operation of the entire mechanism.

In addition to its use as a text, this book should appeal to the business man and the general reader. It is precisely the kind of book they need. They do not have time to study several books and, if they do, they are likely to miss the very thing this book will give them, namely a connected view of the entire field and an appreciation of the ways in which the financial machinery of this country works and of the relation of the business man to it.

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Marketing, Its Problems and Methods. By C. S. DUNCAN, New York: D. Appleton & Co., 1920. Pp. xv+500.

Dr. Duncan's book on marketing is designed for use in schools as a textbook and aims to cover the whole field of marketing. This field is divided into two parts, agricultural products and manufactured products. There is some real distinction between the marketing problems of these